

General Administration

Supplier Diversity Program

January 2007

MISSION

- **Ensure that minority and women-owned firms have the maximum practicable opportunity to participate in contracting and purchasing**

VISION

- **Seeking diverse competition will be the norm in state contracting and purchasing**
- **Firms doing business with GA will reflect the community of available qualified firms**

GOALS

- **Increase solicitation of minority and women-owned businesses on GA contracts and purchases**
- **Increase the amount of GA business conducted with minority and women-owned businesses**

The people of Washington have held that the state may not discriminate or give preferential treatment based on race or gender in public contracting [Initiative 200: RCW 49.60.400]. State law also establishes policy to mitigate past discrimination in contracting and purchasing [RCW 39.19], and the Governor's Directive 98-01 requires agencies to increase their outreach and training efforts for supplier diversity.

In July 2006, Governor Gregoire established, through the Office of Minority and Women's Business Enterprises (OMWBE), the Supplier Diversity Initiative to turn around the declining levels of contracts with certified minority and women-owned businesses.

Our duty, under the law, is to ensure that minority and women-owned firms have the maximum practicable opportunity to participate in contracting and purchasing. We influence the depth and diversity of the vendor pool by promoting fair and open access for state business opportunities. Such efforts strengthen the state's economic vitality and help government get the best price and value.

STRATEGIC APPROACH

The state must act to be a credible partner to firms interested in doing business with government. GA is seen as a key portal to state business and has two primary areas of influence:

- **Our own purchasing and contracting activity.** GA spends roughly \$80 million per year. Two-thirds of this activity is in construction. About a quarter of it is in goods and services. Under the law, GA is accountable through OMWBE's participation reports for our performance in these activities.
- **Contracts we develop and award on behalf of government.** GA creates master contracts worth nearly \$900 million annually for purchased goods and services. GA also manages about half of the state's construction projects for general government agencies and two-year colleges with a value of more than \$500 million annually.

Our emphasis is on improving outreach and access while maintaining the transparency and integrity of our purchasing and contracting processes. These are the elements over which we have the greatest influence – and which we expect will then drive improvements in participation.

POLICY MAKING AND LEADERSHIP

The **DEPUTY DIRECTOR** is GA's "change agent" for supplier diversity and is responsible for:

- Setting overall agency-wide policy and strategic coordination for supplier diversity.
- Building positive relationships with businesses, stakeholders, the Office of Minority and Women's Business Enterprises, and other governmental entities.
- Acting as champion and change agent for supplier diversity in the Enterprise Contracting effort.

ASSISTANT DIRECTORS (AD) are responsible to the Agency Director for the performance of their Divisions. Assistant Directors shall ensure that their program managers and supervisors understand and promote the objectives of the business equity and access program.

PROGRAM MANAGERS AND SUPERVISORS are expected to monitor supplier diversity performance and provide relevant training opportunities and coaching to their purchasing and contract staff.

Program Managers will review and assess their supplier diversity performance quarterly as part of the Government Management, Accountability, and Performance (GMAP) session with the Director and Deputy Director.

Managers or supervisors are also expected to review contracts that are not meeting established voluntary goals before a decision is made whether to renew or re-bid. They may recommend that a contract be re-bid rather than renewed if qualified certified firms exist that could bid on the contract.

OMWBE will provide sub program reporting of base and participation for this level of management and accountability.

IMPLEMENTATION

KEY AGENCY INITIATIVES

- Create a procurement strategy that identifies priority spend areas and methods to improve M/W participation for both Contracts use by other entities and GA Purchases.
 - Identify the goods and services represented by M/W firms using the WEBS and OMWBE databases, to support a "targeted" spending strategy
 - Determine and biennially update the top seven targeted categories of represented firms in relation to GA contracting and GA expenses
 - Develop procurement strategies for these targeted spend areas using methods to improve MWBE participation for both Contracts and Purchases
- Improve access to opportunities by using WEBS as a single source for notifying firms of GA bid opportunities AND promoting other state and local agency use of WEBS for bid solicitations.
- Co-Chair and sponsor stakeholder work groups to explore ways to refine our criteria for the "best qualified" Architectural and Engineering firms to open the selection process to a wider range of quality firms.

- Sponsor and/or participate annually in at least 12 formal outreach events throughout the state where businesses can meet buyers, here about coming bid opportunities and learn to compete and win state and other government contracts.
- Implement a performance monitoring “system” that provides for sub program level tracking and GA-GMAP reporting.

PERSONS MAKING PURCHASES (INCLUDING PUBLIC WORKS) FOR GA are most directly responsible for ensuring fair and open access to purchase opportunities. As noted above, GA spends roughly \$80 million per year. Under the law, GA is accountable through OMWBE’s MBE/WBE participation reports for our performance in these activities.

Persons making purchases and/or establishing contracts for GA expenses, in consultation with program managers and AD’s, are expected to:

- Know and understand the state purchasing requirements for making purchases using state funds and GA’s commitment to supplier diversity. (Reference “tool kit” addendum #1)
- **Implement** the procurement strategy(s) for the selected categories. (See strategic approach above)
- **Identify** and plan for each purchasing opportunity as far in advance as practical.
 - OMWBE may be able to provide referrals and can work with small, minority, and women-owned businesses to help them prepare to bid competitively
 - M/W and other small businesses have noted that notice prior to the formal bid letting increases their ability to participate
- **Research** the M/W vendors in the market using WEBS AND for more firms the OMWBE listing.
- **Solicit** competition from available small, minority and women-owned vendors whenever reasonably possible or as required by law. For all competitive purchases use WEBS to quickly notify firms and ensure that the competition is documented.
- **Follow-up** periodically with small, minority, and women-owned businesses that do not regularly respond to your solicitations to identify barriers or concern.

PERSONS MAKING CONTRACTING DECISIONS ON BEHALF OF STATE GOVERNMENT (e.g. OSP, E&AS) are most directly responsible for ensuring fair and open access to contracting and subcontracting opportunities. While GA engages in many enterprise-wide forums and outreach events, each individual purchasing officer and contract manager is still responsible for direct outreach and assistance to small minority, and women-owned businesses.

Persons making contracting decisions on behalf of state government, in consultation with program managers and AD’s, are expected to:

- **Implement** the procurement strategy(s) for the applicable top seven targeted categories. (See strategic approach above)
- **Identify** each contract coming up for bid or renewal 8-12 months in advance or as far in advance as practical. OSP contracts, E&AS construction, B&G maintenance and capital projects, Systems are examples of activities where advance notice is probable. (See #2 “alerting” just below)
- **Research** the vendors and contractors in the market. (WEBS and OMWBE listings). Identify and recruit potential vendors and contractors that might compete for the opportunity.

- **Consider** the potential for competitive participation by small, minority and women-owned firms among the factors used in determining whether to renew or re-bid a current contract.
- **Preparing** for contract bid; develop specific strategies to enable small, minority and women-owned businesses to get access and compete. Useful strategies include:
 1. Consideration to structuring the contract(s) regionally, functionally, or otherwise to increase competition and enhance opportunities for small, minority and women-owned business participation.
 2. Alerting GA's OMWBE contact AND potential bidders to the pending opportunity.
 - OMWBE may be able to provide referrals and can work with small, minority and women-owned businesses to help them prepare to bid competitively
 - M/W and other small businesses have advised that notice prior to the formal bid letting increases their ability to participate
 3. Advertising opportunities in non-traditional media and via community-based organizations serving small, minority or women's business interests when WEBS needs to be supplemented.
 4. Use of pre-release and pre-bid conferences to inform potential of the objectives and solicit inputs on the approach to making award. (When feasible, invite OMWBE to participate in the session and to facilitate networking opportunities among vendors and contractors after the session.)
- **Solicit** competition from minority and women-owned businesses for all purchases requiring competition using WEBS to ensure that the competition is documented and to facilitate Performance Measure reporting.
- **Follow-up** periodically with small, minority and women-owned businesses that do not regularly respond to solicitations to identify barriers or concerns. Provide appropriate assistance, or seek help from the GA change agent. Divisions can advise OMWBE of Certified firms that are repeatedly non-responsive or non-competitive, so that OMWBE can provide them assistance if appropriate.
- **Refer** small, minority, and women-owned firms to bid on contracting opportunities in state agencies with delegated contracting authority and local governments.

PERFORMANCE MEASURES

OMWBE is responsible for reporting on the overall participation of certified firms. The passage of Initiative 200 significantly affected both the availability and participation of OMWBE certified firms. Meanwhile, the diversity of the state's population and business community has continued to grow. OMWBE is actively taking steps to streamline the certification process and to increase the number of certified firms.

In addition to data on certified firms, GA will gather data on firms that self-identify as minority or women-owned. This activity will support OMWBE's efforts to identify new candidates for certification. This will also help us refine our outreach, recruitment and notification efforts.

Documenting opportunities provided, purchases made and contracts awarded to certified and self-identified minority and women owned firms is critical to monitoring GA's progress in meeting its performance measures. To ensure that acquisition data is available, all competitive acquisitions shall be conducted through WEBS, including the posting of bids and awards. For purposes of these measures, "MBE" and "WBE" means OMWBE certified firms. "M/W Firm" includes both certified and self-identified firms. We will maintain distinct records of certified and self-identified participation.

Goal 1: Increase the solicitation rate of available registered minority and women-owned businesses on GA contracts and purchases.

These are generally output measures designed to capture levels of effort devoted to business equity and access. Divisions will integrate measures and specify targets in their business plans as appropriate. Divisions will report on their performance through GMAP.

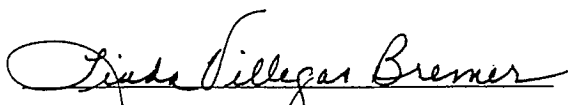
<i>Performance Measure</i>	<i>Division</i>	<i>FY07 Target</i>	<i>FY08 Target</i>
Number of Outreach Events specifically targeted to M/W firms at which GA sponsors or presents annually	SVC, FAC	12	12
Number of M/W firms registered in WEBS	SVC, FAC	tbd	tbd
Percentage of Self-Identified M/W firms registered in WEBS that GA refers to OMWBE for potential certification.	SVC	100%	100%
Percentage of firms notified submitting bids in response to solicitations that are WEBS-registered M/W firms (i.e. the "applicant pool.").	SVC	* %	* %
Percentage of firms attending public works pre-bid conferences and walk-through events that are M/W firms.	FAC	* %	* %
Percentage of firms responding to A/E design and public works construction solicitations that are WEBS-registered M/W firms (i.e. the "applicant pool.").	FAC	* %	* %

Goal 2: Increase the amount of GA purchasing and contracting activity conducted with minority and women-owned businesses.

These measures focus on the desired outcomes. Expenditures with certified firms are reported through OMWBE. Expenditures with M/W firms are reported through the agency GMAP.

<i>Action</i>	<i>Performance Measure</i>	<i>Base FY06</i>	<i>FY07 Target</i>	<i>FY08 Target</i>
Increase	Percentage of GA's purchased goods and services expenditures w/ certified M/WBEs	2.17%	* %	* %
Increase	Percentage of GA's public works expenditures w/ certified M/WBEs	.25%	* %	* %
Sustain	Percentage value of statewide goods and services contracts awarded by GA to M/W firms. (SVC)	10%	* %	* %
Increase	Percentage value of public works contracts/subcontracts and A/E Agreements paid to M/W firms. (FAC)	8%	* %	* %

* NOTE: Targets will be established following GA's purchasing analysis described in the strategic approach section of this document and will be in place not later than June 30, 2007.



Date: January 23, 2007

Linda Villegas Bremer
Director, General Administration

General Administration

Supplier Diversity Program

January 2007

Addendum #1: Tool Kit

OMWBE Contact: Jackie Motteler (JackieM@omwbe.wa.gov or (360)704-1192)

OMWBE staff can provide varied assistance to agency purchasing, procurement and data reporting staff. Following is a partial list of some of the tasks OMWBE can assist you with. It is by no means exclusive and some activities may or may not be relevant. Moreover, none of this is meant to substitute for GA's own efforts; it is intended to supplement and enhance.

OMWBE Staff can:

- Create customized lists of certified firms to conduct outreach
- Contact firms that are repetitively non-respondent to solicitations to identify barriers and work with staff to eliminate barriers
- Coordinate outreach with procurement/purchasing staff
- Assist in setting individual contract goals and identifying opportunities
- Invite certified firms to pre-bid conferences
- Speak at pre-bid conferences on the benefits of certification and importance of Minority Women's Business Enterprise inclusion.
- Contact WEBS self-identified firms to market certification
- Post opportunities on OMWBE website
- Contact certified firms to notify of opportunities
- Facilitate problem solving (e.g. protest)
- Provide utilization reports
 - M/WBE Firms
 - Self-Identified Firms
- Provide training in the expenditure reporting process

Know the Purchasing Requirements

Sign up for the Goods and Services Procurement training offered by OSP at:

<http://www.ga.wa.gov/events/wpmthome.htm>

M/W requirements include:

For goods and purchased services between \$3,100 and \$43,900 state law requires GA to obtain at least three verbal or written quotes, including soliciting at least one from a certified MBE and one from a certified WBE.

Using State Contracts:

Nearly all state contracts are discretionary use with the exception that some OSP contracts are designated as Mandatory Use. For all discretionary or "convenience" contracts this means you are able to decide the best source(s) from which to purchase. Many OSP contracts are awarded to Minority and/or Women businesses. Their website shows for each contract whether it includes M/W firms.

Sources to Find M/W Firms

GA's sponsored Washington Electronic Bid System (WEBS) includes firms that have registered to receive electronic bids. Firms include both self identified and approximately 50% of those that are OMWBE certified. Expanding your search will require you to use the OMWBE web site.

To search WEBS for OMWBE certified businesses:

1. Your organization must be registered in WEBS. If not, please contact WEBS Customer Service to get started at (360) 902-7400 or email: webcustomerservice@ga.wa.gov.
2. Log into WEBS at <http://www.ga.wa.gov/webs>.
3. Click the "Search for Vendors" tab.
4. Click the "Search Commodity Code" link.
5. Type the keyword for the item you are looking for (i.e., plumbing).
6. Check the boxes that are returned in your search that match your criteria.
7. Click "Add" at the bottom of the page.

The results will list all of the vendors that match your search criteria. Vendors that are M, W or MW will show in the status column to the right. Clicking on the vendor name in this list will show more details about their firm.

To search OMWBE-listing: (open web site, registration not required)

1. On main page of BizNet (<http://www.omwbe.wa.gov/biznetwas/>) select "Search by Business Description."
2. On the "OMWBE Directory Search by Business Description" page type in a keyword or phrase.
3. To create a tailored list, select certain certification types and counties.
4. To run the report click on "View Results."
5. The Search Results Page displays the Business Name, State and Federal Certifications, Contact Name, Phone Number and Email Address. To find more information about the firm, click on the business name.

Note: The more specific the phrase or keyword typed in, the more precise the results (e.g. entering "Construction" will return 209 firms, whereas "Demolition" returns 21).

Getting Credit for Sub Contractors:

In order to capture actual OMWBE participation, the financial office would need to enter data manually into the AFRS OMWBE sub contractor screen.

To get this information, the Prime contractor would need to submit the information with their invoice, showing the MWB sub contractor name, TIN, and amount paid for the given period.